



Report to the Auburn City Council

Action Item

Agenda Item No.

City Manager's Approval

From: Dylan Feik, Administrative Services Director
Date: May 14, 2015
Subject: Auburn Police Sergeants Association Memorandum of Understanding

The Issue

Shall the City Council review the negotiated Memorandum of Understanding between the Auburn Police Sergeants Association and the City of Auburn?

Conclusions and Recommendations

Pursuant to the City of Auburn's Employer-Employee Relations Policy, Article III Section 17.3, the proposed memorandum of understanding and accompanying fiscal analysis (provided herein) shall be made available for public review for a minimum of two (2) weeks prior to the City Council taking action on the MOU in an open public meeting. The contract will be brought to Council on Monday, June 8th, 2015, for Council approval by RESOLUTION.

Background

As a means to secure a current Memorandum of Understanding (MOU) between the City of Auburn and the Auburn Police Sergeants Association (APSA), both parties entered into negotiations in April 2015 which included implementation of the City's new "Transparency in Bargaining," rules. City management efforts identified several key areas of emphasis for labor negotiations with the City's seven (7) recognized bargaining units. The areas of emphasis identified in the APSA MOU are:

- Primary focus of reducing City's leave balance problems including long-term, unfunded liabilities in vacation leave and sick leave. Unique only to APSA, the Association has been abiding by existing vacation leave accrual limits and all members remain below the accrual limit.
- Enhance departmental tools for recruitment and retention of law enforcement officers.
- Address workplace issues such as safety, morale and staff.
- Implement cost-effective and equitable salary modifications.

The negotiation process initially concluded when the APSA and City reached tentative agreement on a successor MOU on May 14 which was ratified (approved) by the APSA membership. Both parties tentatively agree to the following general changes:

- Term of MOU - 24 month MOU effective June 8, 2015 – June 30, 2017
- Step Salary Schedule - Implement new Step F (5%) increase on January 1, 2016
- Lateral Hires - Language was included provides the City with tools to recruit lateral hires. The parties agreed the city may offer (upon city manager approval) to lateral hires one or more of the following enhancements: increased vacation leave accruals, training and education incentives, advanced salary placement, recognition of outside experience, and up to a 4% retention credit.
- Salary Increase - 1% Salary Increase Effective July 1, 2016 to reduce salary compaction between police sergeant and police officer classification
- Vacation - Employees will be allowed to cash out 100 hours of accrued and unused vacation leave before June 30, and 40 hours per year thereafter.
- Holiday in Lieu Pay - In lieu of 5% Holiday in Lieu pay, shift employees will accrue less vacation time thereby reducing overall vacation leave accruals
- Uniform Allowance - Increase uniform allowance from \$200 per quarter to \$250.
- Tuition Reimbursement - City will reimburse an employee up to \$1,200 for City-approved tuition/education reimbursement per year
- PERS Swap - Association members will pay 3.0 percent of the employer's CalPERS obligation effective January 1, 2017 and will receive 2.37% salary increase to offset
- Cleanup Items - APSA and City collaboratively worked through MOU and revised and/or updated language to ensure current laws, rules, and/or policies are included

The City and APSA were able to agree upon a multi-year contract (most recent APSA contracts included one year contracts). This allowed the City to implement changes during the term of the MOU. Additional City funding (new money) for salary is limited to the new top step salary increase (1/1/16) and an additional 1% salary increase (7/1/16) to reduce salary compaction.

Alternatives Available to Council; Implications of Alternatives

1. Adopt a resolution to authorize the City Manager to execute the Memorandum of Understanding between the Auburn Police Sergeants Association and the City of Auburn for the period June 8, 2015 through June 30, 2017.
2. Do not adopt a resolution and direct the City Manager accordingly.

Fiscal Impact

The total increase to personal services budgets are as follows:

Fiscal Year 2014-15	\$ 14,264 General Fund Increase
Fiscal Year 2015-16	\$ 17,834 General Fund Increase
Fiscal Year 2016-17	\$ 21,130 General Fund Increase

However, the net impact of this contract is best-summarized by the net budget effects of the significant leave reforms and salary modifications (PERS swap, reduction of vacation leave accrual rate and balances, etc.) accomplished through this MOU. The net impact includes tuition reimbursement costs, uniform allowance increases and salary increases which can be summarized below as follows:

Fiscal Year 2014-15	\$ 150 potential General Fund Increase (uniform allowance)
Fiscal Year 2015-16	\$ 11,906 General Fund Increase
Fiscal Year 2016-17	\$ 15,062 General Fund Increase

Both cost increases and cost savings referenced have been included in the FY15-16 Proposed Budget.

The tentative Memorandum of Understanding between the City of Auburn and Auburn Police Sergeants Association is available for review in the City Clerk's Office and the Administrative Services Department